

**NEW HOPE OUTREACH MINISTRIES**  
**Baton Rouge, Louisiana**

**ACCOUNTANT'S COMPILATION REPORT**  
**Years Ended December 31, 2009 and 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/23/11

**Melvin L. Davis**  
**Certified Public Accountant**

(A Limited Liability Company)

## **NEW HOPE OUTREACH MINISTRIES**

**Financial Statements and  
Accountant's Compilation Report  
Years Ended December 31, 2009 and 2008  
With Supplementary Information Schedule**

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**Melvin L. Davis**  
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(A Limited Liability Company)  
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**ACCOUNTANT'S COMPILED REPORT**

To the Management  
New Hope Outreach Ministries  
Baton Rouge, Louisiana

I have compiled the accompanying statement of financial position of New Hope Outreach Ministries (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Melvin L. Davis*

Baton Rouge, Louisiana  
April 28, 2011

## Statement A

**NEW HOPE OUTREACH MINISTRIES**  
**Baton Rouge, Louisiana**

**Statement of Financial Position**  
**December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Capital assets:		
Property and equipment	\$ 34,444	\$ 34,444
Leasehold improvements	<u>17,270</u>	<u>17,270</u>
Total capital assets	51,714	51,714
Less: Accumulated depreciation	<u>(29,173)</u>	<u>(18,697)</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 22,541</b></u>	<u><b>\$ 33,017</b></u>
 <b>LIABILITIES</b>		
Bank overdrafts	\$ 2,138	-
Accounts payable	-	\$ 2,340
Notes Payable - New Hope Baptist Church	25,000	25,000
Notes Payable - Rose Chinwoh	<u>17,630</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><b>44,768</b></u>	<u><b>27,340</b></u>
 Unrestricted	<u>(22,227)</u>	<u>5,677</u>
<b>TOTAL NET ASSETS</b>	<u><b>(22,227)</b></u>	<u><b>5,677</b></u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 22,541</b></u>	<u><b>\$ 33,017</b></u>

See accountant's compilation report.

## Statement B

**NEW HOPE OUTREACH MINISTRIES**  
**Baton Rouge, Louisiana**

**Statement of Activities**  
**Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>SUPPORT AND REVENUE</b>		
Grants from governmental agencies	\$ 151,648	\$ 136,862
Contributions	5,370	17,235
<b>TOTAL SUPPORT AND REVENUE</b>	<u>157,018</u>	<u>154,097</u>
<b>EXPENSES</b>		
Advertising / Marketing	662	44
Auto / Gas Expense	2,328	4,275
Bank service charges	169	489
Computer expense	-	919
Contract labor	43,638	28,839
Depreciation	10,475	10,475
Food expense	14,668	29,090
Insurance expense	-	684
Internet / Website services	1,379	1,496
Legal / Professional services	8,399	1,851
Licenses / Permits	22	600
Medical / Drug screening	8,967	5,630
Office supplies	13,405	11,903
Other taxes expense	-	136
Payroll tax expense	11,116	11,908
Plants / Landscaping	1,980	680
Rent / Lease expense	-	3,000
Repairs & maintenance	2,021	430
Salary & wages	63,442	74,646
Telephone expense	2,231	1,943
<b>TOTAL EXPENSES</b>	<u>184,922</u>	<u>189,038</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	(27,904)	(34,941)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>5,677</u>	<u>40,618</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ (22,227)</u>	<u>\$ 5,677</u>

See accountant's compilation report.

**NEW HOPE OUTREACH MINISTRIES**  
**Baton Rouge, Louisiana**

**Statement of Cash Flows**  
**Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (27,904)	\$ (34,941)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Increase (decrease) in operating liabilities:		
Increase in bank overdrafts	2,138	-
Decrease in accounts payables	(2,340)	2,340
Increase in Notes Payable - Rose Chinwoh	17,630	-
Depreciation	<u>10,476</u>	<u>10,475</u>
Net cash provided (used) by operating activities	<u>NONE</u>	<u>(22,126)</u>
Net increase (decrease) in cash	NONE	(22,126)
<b>CASH AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>22,126</u>
<b>CASH AT END OF YEAR</b>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

See accountant's compilation report.

## **SUPPLEMENTARY INFORMATION SCHEDULE**

**NEW HOPE OUTREACH MINISTRIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2009 and 2008**

**Late Submission of Compilation Reports**

Condition:

The compilation of New Hope Outreach Ministries' financial statements for the years ended December 31, 2009 and 2008 were not completed and filed with the Office of Legislative Auditor within six months of the close of the Organization's fiscal year.

Criteria:

In accordance with Louisiana Revised Statute §24:513 and the Louisiana Governmental Audit Guide require all engagements to be completed within six months of the close of the entity's fiscal year.

Cause:

Management of the Organization was not aware of its reporting requirement to the Office of the Legislative Auditor.

Effect:

The compilation reports were not filed within the time period required by state law.

Recommendation:

Management needs to place emphasis on providing financial related data in a timely manner and establish financial reporting procedures that will ensure the complete, accurate, and timely recording of transactions. In addition, when securing future grant opportunities, management should ensure that it is aware of all accounting and reporting requirements.

Management's Response and Correction Action Plan:

See management's corrective action plan (page 8 of this report).



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## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

# New Hope

## BAPTIST CHURCH

DR. LEO DANIEL CYRUS, SR.  
Pastor - Teacher

April 28, 2011

Melvin L. Davis, CPA, LLC  
P. O. Box 73360  
Baton Rouge, LA 70874

Dear Mr. Davis:

In connection with the compilation of the financial statements of New Hope Outreach Ministry for the two years ended June 30, 2009, I offer the following corrective action plan.

**Finding:** Late Submission of Compilation Reports

**Recommendation:** Management needs to place emphasis on providing financial related data in a timely manner and establish financial reporting procedures that will ensure the complete, accurate, and timely recording of transactions. In addition, when securing future grant opportunities, management should ensure that it is aware of all accounting and reporting requirements.

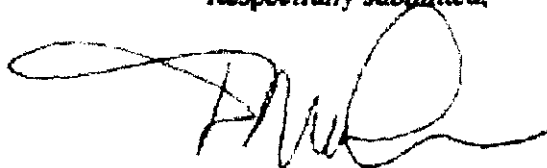
**Corrective Action Plan:** As you are probably aware, our tardiness relative to our failure to file compilation reports for the years ended June 30, 2008 and 2009 resulted due to the following circumstances:

- a) Upon being awarded funds to administer the program, the now deceased executive director was only aware of its financial reporting requires to the Department of Health and Hospitals.
- b) The now deceased executive director, during the periods covered by this report was not aware that annually compilation reports had to be conducted by someone on the Office of Legislative Auditor's approved list of certified public accountants. Another certified public accountant had annually compiled the program financial statements.
- c) The executive director was not sure of what type engagement was required. The Department of Health and Hospitals, the grantor agency, regulations required that an audit be conducted, whereas the State Audit Law only requires a compilation based on the total revenues received from local, state, or federal sources.

In the future, if we are awarded monies from local, state, or federal sources, we will comply with the requirements of Louisiana Revised Statute 24:513 and ensure that our financial statements are compile, reviewed, or audited in accordance with State law.

Your consideration and understanding is gratefully appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'DM', with a large, sweeping loop at the end.

Debra Martin